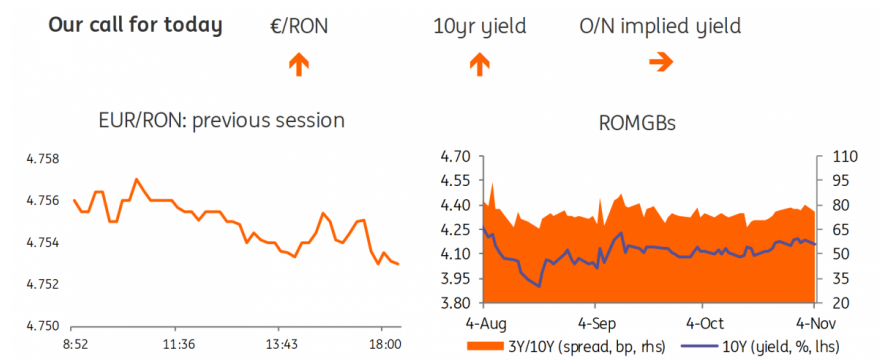
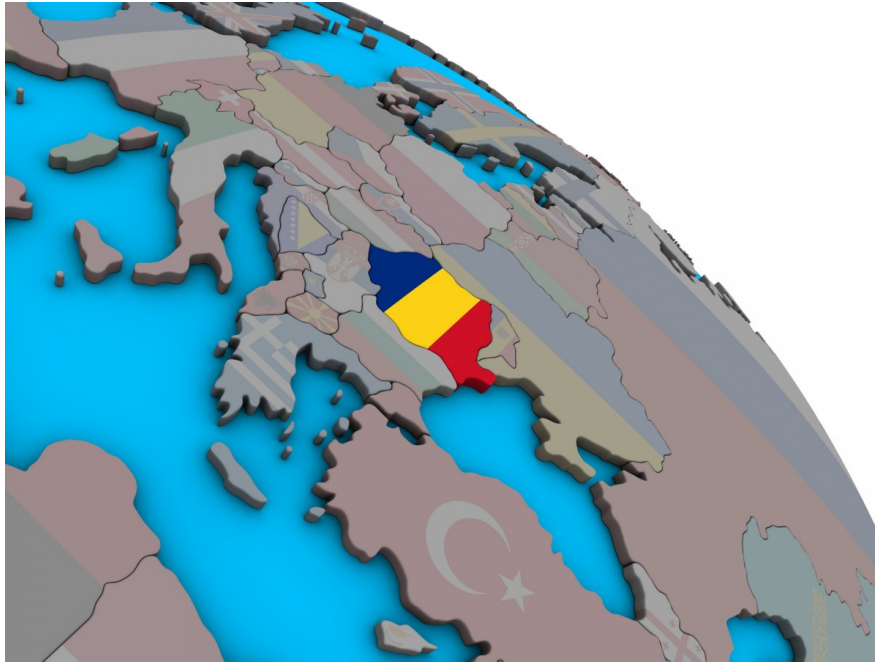


Briefing Romania

A new government seeks Parliament backing today



Source: Refinitiv Datastream

EUR/RON

The Romanian leu remained rock solid against the euro, trading in the same 4.7500-4.7600 range that's been holding for a while now. We expect it to remain at current levels, with the market likely keeping a close eye on political developments.

Parliament meets today to vote on the appointment of the new government after President Klaus Iohannis nominated Ludovic Orban to form a new cabinet. Media reports suggest that social-democrats will boycott the vote. Hence, there is a risk that the quorum conditions won't be met and the government appointment will be delayed. Still, there are ongoing political negotiations for the government to gather support.

Government bonds

Today's RON600 million Apr-2026 auction looks on track to benefit from the inclusion in the GBI-EM index last month. However, the local political context and the Ministry of Finance's propensity to upsize the allocation could mean that investors ask for some yield concessions. We expect an average allocation around 4.00%.

Money market

Funding rates stay well anchored around the 2.50% key rate. Today's central bank deposit taking auction will likely gather more interest than last week's RON540 million which should keep funding stable.

EUR/RON forecasts (eop)

| | 4Q19 | 1Q20 | 2Q20 | 3Q20 | 4Q20 |
|--------------|------|------|------|------|------|
| ING forecast | 4.80 | 4.82 | 4.82 | 4.84 | 4.85 |
| FX Forward | 4.77 | 4.81 | 4.85 | 4.88 | 4.93 |

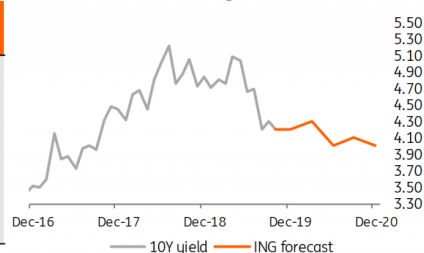
Market radar

| | Spot | %Ch | | |
|------------|--------|------|------|------|
| | | 1D | 1W | 1M |
| EUR/RON | 4.7520 | 0.0 | 0.0 | 0.1 |
| EUR/PLN | 4.2506 | -0.2 | -0.6 | -1.9 |
| EUR/HUF | 327.85 | -0.2 | -0.3 | -1.3 |
| EUR/CZK | 25.505 | 0.0 | -0.2 | -0.8 |
| RO 5Y CDS* | 90.2 | 0.1 | -0.2 | -0.7 |
| ROBOR O/N* | 2.53 | -16 | -56 | 4 |
| ROBOR 3M* | 2.98 | -1 | -6 | -9 |

*change in basis points; **US\$ (data as at 06:32 GMT)

Source: Refinitiv Datastream, ING estimates

10Y yield



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